

**Illinois Department of Revenue
Regulations**

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| Title 86 Part 130 Section 130.1401 Seller's Responsibility to Determine the Character of the Sale at the Time of the Sale |
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TITLE 86: REVENUE

**PART 130
RETAILERS' OCCUPATION TAX**

SUBPART N: SALES FOR RESALE

Section 130.1401 Seller's Responsibility to Determine the Character of the Sale at the Time of the Sale

- a) A person who sells tangible personal property to a purchaser who may use or consume such property within the meaning of the Act, but who also may resell such property, must determine, at the time when he sells the property to such purchaser, whether the purchaser is buying the property "for use or consumption" within the meaning of the Act or whether the purchaser is buying the property "for resale". Section 2c of the Act provides that purchasers of tangible personal property for resale shall apply to the Department for resale numbers. In determining whether a sale is for resale, the seller shall request that the purchaser provide a resale number and certification that the sale is for resale. This determination is required in order that the seller may properly file the returns required by the Act and compute his tax liability. So long as the seller obtains a certificate of resale from the purchaser that contains all information required by Section 130.1405, the seller need not verify that the tangible personal property he sells for resale is actually resold.
- b) This determination is not necessary (and no Certificate of Resale is therefore required) as to sales made to any corporation, society, association, foundation or institution organized and operated exclusively for charitable, religious or educational purposes or any not-for-profit corporation, society, association, foundation, institution or organization which has no compensated officers or employees and which is organized and operated primarily for the recreation of persons 55 years of age or older, or as to sales made on or after March 21, 1963, to a governmental body because receipts from such sales are exempted from the Act whether such sales are at retail or whether such sales are for resale. For information concerning sales to purchasers of the kind listed in the preceding sentence, see Sections 130.2005 and 130.2080 of this Part. If the sale to such a purchaser in fact is a sale for resale, the seller is still permitted to claim exemption from the tax on the ground that such sale is a sale for resale and to obtain a corroborating Certificate of Resale from the purchaser.
- c) For information concerning resale certifications by construction contractors who are also retailers of building materials, see Section 130.2075 of this Part.
- d) For information concerning resale certifications by servicemen who are also retailers, see the Regulations pertaining to the Service Occupation Tax Act (86 Ill. Adm. Code 140).

(Source: Amended at 24 Ill. Reg. 15104, effective October 2, 2000)